

105TH CONGRESS  
2D SESSION

# H. R. 3304

To amend the Internal Revenue Code of 1986 to establish a 2-year recovery period for depreciation of computers and peripheral equipment used in manufacturing.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 1998

Mr. COLLINS introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to establish a 2-year recovery period for depreciation of computers and peripheral equipment used in manufacturing.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Computer Equipment  
5       Common Sense Depreciation Act”.

1 **SEC. 2. 2-YEAR APPLICABLE RECOVERY PERIOD FOR DE-**  
 2 **PRECIATION OF COMPUTERS AND PERIPH-**  
 3 **ERAL EQUIPMENT USED IN MANUFACTUR-**  
 4 **ING.**

5 (a) 2-YEAR APPLICABLE RECOVERY PERIOD.—

6 (1) IN GENERAL.—Paragraph (1) of section  
 7 168(c) of the Internal Revenue Code of 1986 (relat-  
 8 ing to applicable recovery period) is amended by in-  
 9 serting before the first item in the table the follow-  
 10 ing new item:

“Computers or peripheral equipment used in manufacturing ..... 2 years”.

11 (2) CONFORMING AMENDMENT.—Clause (iv) of  
 12 section 168(e)(3)(B) of such Code (relating to 5-  
 13 year property) is amended by inserting “(except  
 14 computers or peripheral equipment used in manufac-  
 15 turing)” before the comma.

16 (b) 2-YEAR RECOVERY PERIOD UNDER ALTER-  
 17 NATIVE DEPRECIATION SYSTEM FOR TAX-EXEMPT USE  
 18 PROPERTY, ETC.—Subparagraph (C) of section 168(g)(3)  
 19 of such Code (relating to alternative depreciation system  
 20 for certain property) is amended to read as follows:

21 “(C) QUALIFIED TECHNOLOGICAL EQUIP-  
 22 MENT.—

23 “(i) IN GENERAL.—Except as pro-  
 24 vided in clause (ii), in the case of any  
 25 qualified technological equipment, the re-

1                   covery period used for purposes of para-  
2                   graph (2) shall be 5 years.

3                   “(ii) COMPUTERS OR PERIPHERAL  
4                   EQUIPMENT USED IN MANUFACTURING.—  
5                   In the case of any computer or peripheral  
6                   equipment used in manufacturing, the re-  
7                   covery period used for purposes of para-  
8                   graph (2) shall be 2 years.”

9                   (c) EFFECTIVE DATE.—The amendments made by  
10 this section shall apply to property placed in service after  
11 December 31, 1997.

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